SUBJECT INDEX

PAGE

Statement of the case 2

Questions presented for review 6

Argument 7

1. An appellate court may reject findings of the trial court which it finds to be clearly erroneous 7

2. The decision of the Court of Appeals in this action is not in conflict with the decisions relied upon by petitioner 7

3. In rejecting the finding of the trial court that there was no likelihood of confusion, the Court of Appeals followed a well settled rule 9

4. Where color is impressed in a particular design or pattern, and is used in a trade-mark sense rather than in a functional or descriptive sense, it may constitute a valid trade-mark or portion thereof 9

Conclusion 9

TABLE OF AUTHORITIES CITED

Cases	Page
Armstrong Paint & Varnish Co. v. Nu-Enamel Corp., 305 U. S. 315	7, 8
Chapman v. Hughes, 134 Cal. 641	5
Cromwell v. County of Sac, 94 U. S. 351	6
Kellogg Co. v. National Biscuit Co., 305 U. S. 315	7, 8
Leschen & Sons Rope Co. v. Broderick, 201 U. S. 166	9
Saxlehner v. Eisner, 179 U. S. 19	9
Singer Mfg. Co. v. June Mfg. Co., 163 U. S. 169	8
United States v. Munsingwear, Inc., 340 U. S. 36	7, 8
United States v. United States Gypsum Co., 333 U. S. 364	7
West Point Manufacturing Company v. Detroit Stamping Company, 222 F. 2d 581	7, 8

Statute	
California Code of Civil Procedure, Sec. 1911	5

IN THE

Supreme Court of the United States

October Term, 1955

No. 384.

FRANK A. PACHMAYR and FRANK A. PACHMAYR doing business under the fictitious name and style of PACHMAYR GUN WORKS,

Petitioner,

vs.

MERSHON COMPANY, INC.,

Respondent.

RESPONDENT'S BRIEF OPPOSING PETITION FOR WRIT OF CERTIORARI.

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

This case is before this Honorable Court upon the petition of the defendant-appellee below for a writ of certiorari to the United States Court of Appeals for the Ninth Circuit, to review a decree reversing a judgment of the United States District Court for the Southern District of California, Central Division [R. 62] in an action for infringement of respondent's federally registered trademark [Ex. 5].

The opinion of the Court of Appeals is reported at 220 F. 2d 759. Rehearing was denied.

Respondent opposes grant of a writ for the reason that the case does not present any basis therefor. The decision of the Court of Appeals is not in conflict with any decision of this Court, or with the decisions of other circuits, or with any statute.

Statement of the Case.

The facts and issues are clearly and correctly stated in the opinion of the Court of Appeals.

The petition does not give either a fair or accurate statement of the facts and issues. On the contrary, in an attempt to create facts which might support the hypotheses recited in the petition as "Reasons relied upon for granting a writ of certiorari", petitioner has omitted material facts, has gone beyond the record, and has colored facts established by the record.

Respondent's trade-mark, registered under the 1905 act, is a composite mark, for gun recoil pads which are not and never have been patented. Because all gun recoil pads look more or less alike, respondent, in 1932 [R. 78] adopted a distinctive trade-mark to enable the public to distinguish respondent's pads from those of its competitors. The trade-mark consists of the words "White Line" in conjunction with a *circular white line symbol,* so that both the words and the symbol have the same connotation. Petitioner admits that the trade-mark symbol is not functional [R. 159]. Respondent's advertising slogan is "Look for the White Line."

To enable the Court clearly to understand the issue of *res judicata* raised in the petition, it is helpful to understand the background of this litigation.

Petitioner, an ex-employee of respondent, first tried to appropriate respondent's trade-mark symbol in 1945 [R. 148]. At that time, after petitioner had used respondent's symbol for only a few months, the dispute was settled amicably by an agreement, petitioner agreeing to stop using the symbol and respondent agreeing not to sue petitioner for the past infringement [R. 188]. However, petitioner's advertising continued to appear featuring the white line symbol and respondent, believing that petitioner had breached the agreement, sued petitioner in the Superior Court of the State of California, for unfair competition. As his defense to that action, petitioner contended that the action was barred by the agreement which he alleged that he had not breached. While the pleadings of the state court action were not placed in evidence in the present action, it appears that, in the state court action, petitioner also alleged that, in using respondent's trade-mark symbol, he was acting in good faith in the belief that he had a right to use the symbol by virtue of the terms under which he had left respondent's employ.

At the trial of the state court action, the evidence showed that petitioner had, in fact, ceased use of respondent's trade-mark symbol, as he had agreed to do, and that the advertising which had been observed by respondent had been placed for publication prior to the agreement. The state court rendered Judgment [R. 245] dismissing the action, finding that it was barred by the agreement [Find. XI, R. 243]. However, the state court also made an immaterial finding [Find. XII, R. 243] to the effect that petitioner had acted in good faith and that no confusion had resulted from petitioner's short-lived use of the symbol. Respondent appealed from that judgment to the California District Court of Appeal, which latter court

affirmed the judgment (88 Cal. App. 2d 901) upon the sole ground that the action was barred by the agreement, expressly holding that said Finding XII was immaterial to the judgment.

However, in 1948, as soon as the state court judgment became final, petitioner again started using respondent's trade-mark symbol upon his, petitioner's, competing recoil pads.

Respondent then filed the present action in the United States District Court, seeking an injunction and damages for trade-mark infringement and unfair competition taking place since petitioner resumed use of the symbol in 1948.

The uncontradicted evidence produced at the trial of the present action established actual confusion and "palming off" [R. 100, 105, 137, 225]. Even the trial judge, at the conclusion of the evidence, observed that confusion was bound to result [R. 194]. Nevertheless, the trial judge, in dismissing the action, held (a) that respondent's white line symbol could not validly constitute a part of a technical composite trade-mark, (b) that petitioner's use of respondent's trade-mark symbol did not constitute trade-mark infringement or unfair competition, and (c) that the judgment in the state court action constituted *res judicata*.

Respondent appealed from that judgment to the United States Court of Appeals for the Ninth Circuit, which court reversed the judgment of the trial court, holding (a) that, since said white line symbol was neither functional nor descriptive and had been used by respondent in a purely trade-mark sense as part of respondent's composite mark, said symbol validly constituted part of respondent's composite mark; (b) that since, by using the

symbol portion of said trade-mark, which had the same meaning as the word portion, petitioner was using enough of the composite mark to create confusion and induce "palming off" of petitioner's goods, petitioner was guilty of trade-mark infringement; and (c) that, since the basis of the former state court judgment was that petitioner had abandoned use of respondent's symbol, and since the present action involved only infringement commencing *after* the former judgment and was not barred by the said agreement, the former state court judgment did not constitute *res judicata.*

While, in rejecting the plea of *res judicata,* the Court of Appeals found it unnecessary to pass upon the technical question of whether or not said immaterial finding [Find. XII, R. 243] had any bearing upon the issue of *res judicata,* it should be pointed out that, under the law of California relating to *res judicata,* the result necessarily would have been the same even if the Court of Appeals had passed upon that technical issue. The rule in California is that findings in a former action which were unnecessary and immaterial to the judgment, do not constitute *res judicata* in a subsequent action.

Calif. Code Civ. Proc., Sec. 1911;

Chapman v. Hughes, 134 Cal. 641, 654-655.

The cases cited in the petition on this point are not analogous because the findings involved in those cases were necessary and material to the support of the Judgment, and the Judgments had recited the subject-matter of the findings, which is not true of the present case.

In the appeal from the judgment of the state trial court, it will be remembered that the California District

Court of Appeal (88 Cal. App. 2d 901) affirmed the judgment *upon the sole ground that the action was barred by the agreement, and that all other findings were immaterial to the judgment.* In *Cromwell v. County of Sac,* 94 U. S. 351, this Court held that, in order to determine what was concluded by a former judgment which it had reviewed and upon which it had written an opinion, it was proper to consider the construction placed upon the record and judgment in said opinion.

Questions Presented for Review.

The real question presented by the petition is, therefore, whether the Court of Appeals erred in ruling affirmatively upon the following questions 1, 2 and 3 and ruling in the negative on the following question 4:

1. Is it proper for an appellate court to reject findings of a trial court which it finds to be clearly erroneous?

2. May a symbol consisting of a color, impressed in a particular circular design which is neither functional nor descriptive, constitute a valid part of a composite trade-mark?

3. Is it infringement of a composite trade-mark consisting of words and a symbol, both having the same meaning, for an unauthorized person to mark his competing goods with the symbol, alone, when, to do so, confusion is apt to result?

4. Is a judgment in a prior action *res judicata* in a subsequent action, where the two actions involve different facts?

ARGUMENT.

1. An Appellate Court May Reject Findings of the Trial Court Which It Finds to Be Clearly Erroneous.

This Court held that this question should be answered in the affirmative, in

United States v. United States Gypsum Co., 333 U. S. 364.

In the instant case, however, the Court of Appeals reversed the trial court principally upon errors of law committed by the trial court as to what constitutes a valid trade-mark and what constitutes infringement of a trade-mark. About the only finding of the trial court which it was necessary to reject was the finding that petitioner's use of respondent's trade-mark symbol was not likely to result in confusion, which finding was made by the trial court despite the fact that the uncontradicted evidence established actual confusion and "palming off."

2. The Decision of the Court of Appeals in This Action Is Not in Conflict With the Decisions Relied Upon by Petitioner.

Petitioner appears to rely upon the following decisions as allegedly being in conflict with the decision of the Court of Appeals in the present action:

Kellogg Co. v. National Biscuit Co., 305 U. S. 315;

West Point Manufacturing Company v. Detroit Stamping Company, 222 F. 2d 581;

Armstrong Paint & Varnish Co. v. Nu-Enamel Corp., 305 U. S. 315;

United States v. Munsingwear, Inc., 340 U. S. 36.

However, analysis shows that neither of those cases involved either facts, issues or law relevant to the instant case.

The first two of those cases, *Kellogg Co. v. National Biscuit Co.*, and *West Point Manufacturing Company v. Detroit Stamping Company,* involved the question of whether or not, upon the expiration of a patent monopoly upon a trade-marked product, there passes to the public the right to make and sell the product in the form and under the name in which it became known to the public during the term of the patent monopoly. The question was decided affirmatively in both cases, in accordance with the rule long ago stated by this Court in *Singer Mfg. Co. v. June Mfg. Co.,* 163 U. S. 169. The present case does not involve any question of an expired patent monopoly.

The *Armstrong Paint & Varnish Co. v. Nu-Enamel Corp.* case involved two questions: (a) whether or not a descriptive word may be monopolized as a trade-mark, and (b) the effect of a trade-mark registration under the 1920 Trade-Mark Act. Neither question is involved here.

It is not seen what possible relevancy the decision in *United States v. Munsingwear, Inc.,* can have to the issue of *res judicata* in the present case. In that case, the defendant had been sued for violation of the anti-monopoly laws and for treble damages allegedly resulting from the alleged violation. A separate trial was had on the issue of whether or not there had been a violation, and that issue was determined in favor of the defendant. The Court then dismissed the treble damages count upon the ground that the decision on the alleged violation issue rendered it moot. This Court sustained the dismissal.

Thus, petitioner has failed to show any conflict in decisions.

3. In Rejecting the Finding of the Trial Court That There Was No Likelihood of Confusion, the Court of Appeals Followed a Well Settled Rule.

In *Saxlehner v. Eisner*, 179 U. S. 19, this Court stated the rule that, to infringe a trade-mark it is not necessary that the entire trade-mark be copied, if the part copied is enough to be likely to lead to confusion.

As shown by the many decisions cited in the opinion of the Court of Appeals in the present case, this rule is particularly applicable where the trade-mark in issue is a composite mark consisting of words and a symbol both having the same meaning, and where the accused has copied either the symbol or the words.

4. Where Color Is Impressed in a Particular Design or Pattern, and Is Used in a Trade-mark Sense Rather Than in a Functional or Descriptive Sense, It May Constitute a Valid Trade-mark or Portion Thereof.

While color may not constitute a valid trade-mark when used in a purely functional sense, it may constitute a valid mark when, as in the instant case, it is displayed in a particular design or pattern, such as a circle, square, star or cross.

Leschen & Sons Rope Co. v. Broderick, 201 U. S. 166.

Conclusion.

Respondent respectfully submits, therefore, that the petition should be denied.

COLLINS MASON,

Attorney for Respondent.